

House Engrossed

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

CHAPTER 327

FILED
JANICE K. BREWER
SECRETARY OF STATE

HOUSE BILL 2175

AN ACT

AMENDING SECTION 42-11105, ARIZONA REVISED STATUTES; RELATING TO PROPERTY TAX EXEMPTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 42-11105, Arizona Revised Statutes, is amended to
3 read:

4 42-11105. Exemption for health care property

5 A. Hospitals for the relief of the indigent or afflicted, appurtenant
6 land and their fixtures and equipment are exempt from taxation if they are
7 not used or held for profit.

8 B. Property that is used to operate a health care institution that
9 provides medical, nursing or health related services to persons who are
10 handicapped or sixty-two years of age or older is exempt from taxation if the
11 property is not used or held for profit.

12 C. Qualifying community health centers as defined in section
13 36-2907.06, subsection H, appurtenant land and their fixtures and equipment
14 are exempt from taxation if they are not used or held for profit.

15 D. PROPERTY THAT IS OWNED BY A HEALTH CARE PROVIDER, RECOGNIZED UNDER
16 SECTION 501(c)(3) OF THE INTERNAL REVENUE CODE AND ORGANIZED AS A NONPROFIT
17 CORPORATION IS EXEMPT FROM TAXATION IF THE PROPERTY IS USED TO PROVIDE HEALTH
18 CARE SERVICES AND THE PROPERTY IS NOT USED OR HELD FOR PROFIT. AN EXEMPTION
19 UNDER THIS SUBSECTION INCLUDES ALL BUILDINGS, APPURTENANT LAND, FIXTURES,
20 EQUIPMENT AND OTHER REASONABLY REQUIRED PROPERTY, INCLUDING PROPERTY USED FOR
21 THE ADMINISTRATION OF SERVICES. FOR THE PURPOSES OF THIS SUBSECTION, "HEALTH
22 CARE PROVIDER" MEANS A HEALTH CARE INSTITUTION AS DEFINED IN TITLE 36 OR AN
23 ENTITY THAT DIRECTLY PROVIDES HEALTH CARE SERVICES TO PATIENTS THROUGH HEALTH
24 CARE PROVIDERS WHO ARE LICENSED PURSUANT TO TITLE 32.

25 Sec. 2. Retroactivity

26 This act applies retroactively to property tax years beginning from and
27 after December 31, 1999.

28 Sec. 3. Refund of taxes already paid

29 A. A county board of supervisors shall direct the county treasurer to
30 grant a refund of all taxes, penalties and interest paid for tax years 2000
31 through 2005 by any health care provider organization on property that
32 qualifies for exemption under section 42-11105, subsection D, Arizona Revised
33 Statutes, as amended by this act.

34 B. The organization must submit a claim for refund and reimbursement
35 to the county treasurer after the effective date of this act, and the
36 treasurer shall pay the claim after it is submitted. The treasurer is
37 entitled to credit for the refund in the next accounting with each taxing
38 jurisdiction to which the treasurer originally transmitted the overpayment.

APPROVED BY THE GOVERNOR JUNE 21, 2006.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 21, 2006.